



Bryce Yokomizo
Director

August 27, 2003

TO: Each Supervisor

FROM: Bryce Yokomizo, Director

SUBJECT: **"EMPLOYMENT AND EARNINGS AMONG WELFARE-TO-WORK PARTICIPANTS IN LOS ANGELES COUNTY, 1998-2001" REPORT**

Attached is the CalWORKs evaluation report, "Employment and Earnings Among Welfare-to-Work in Los Angeles County, 1998-2001." Research and Evaluation Services (RES) unit within the Service Integration Branch (SIB) of the Chief Administrative Office (CAO) prepared this report for the Department of Public Social Services (DPSS) as part of the CalWORKs Performance Monitoring and Evaluation project. This report is in accord with the guidelines established in the CalWORKs Performance Monitoring and Evaluation Plan, which was approved by your Board on April 14, 1998, to meet the evaluation goals of the Welfare-to-Work Act of 1997 (AB 1542).

The report evaluates the employment and earnings of GAIN participants in Los Angeles County. Specifically, it focuses on the employment and earning outcomes of participants in three cohorts who entered the GAIN program during the second quarters of 1998, 1999, and 2000, and follows the performance of each cohort through March 2001. Factors that affect employment and earnings, employment durations, and employment stability are analyzed along with a description of the demographic characteristics of the County's GAIN population.

The following are some of the key findings in this report:

- ❖ Nearly two-thirds of GAIN participants studied were employed in stable jobs and the remaining one-third were semi-employed or unemployed.
- ❖ A majority of the GAIN participants who were examined were able to find employment, but were unable to retain employment for more than one year.
- ❖ GAIN participants who left CalWORKs had favorable employment and earnings outcomes.
- ❖ Prior work experience was positively associated with finding and retaining a job.
- ❖ Participants who were employed for at least one year experienced an increase in their earnings.

Each Supervisor

August 27, 2003

Page 2

- ❖ Due to low earnings, participants continued to rely on cash assistance even if they were employed.
- ❖ Participation in Welfare-to-Work activities helped participants find and retain employment, and it pushed their earnings above the poverty threshold.
- ❖ Participation in Job Club is low, with only 25% of GAIN participants completing Job Club, while 54% did not participate at all.
- ❖ Child care services played a key role in helping participants find and retain a job.
- ❖ Younger participants, especially those with prior work experience and shorter welfare histories, were most likely to find employment.
- ❖ Older participants, especially those with longer welfare histories, were also able to find employment but only after participating in Welfare-to-Work activities.

Based on the research findings, the recommendations are as follows:

- ❖ Overall levels of participation in Job Club and training programs are low and need to be increased.
- ❖ The "work first" orientation may compel welfare participants into low-paying jobs that ultimately limit their ability to leave aid. A greater emphasis on training and education is needed to enable participants to earn wages above FPT levels.
- ❖ Job retention services, especially child care, need to be augmented for participants in unstable employment.
- ❖ Special job placement services need to address the problems of the chronically unemployed.
- ❖ Additional research is needed to determine the continuing effect CalWORKs time limits will have on families who reach the 60-month limit.
- ❖ The availability of child care for CalWORKs participants needs to be continued.

The Department is in the process of evaluating the findings and recommendations to enhance our CalWORKs Welfare-to-Work Program.

This report will be made available to the public on the Department's website in September 2003.

BY: em

Attachment

c: Chief Administrative Officer

County Counsel

Executive Officer, Board of Supervisors